GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:5373
ANSWERED ON:28.04.2003
RECOVERY OF SUSBIDY BY KVIC
UMMAREDDY VENKATESWARLU

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government are aware that a lot of units and entrepreneurs owe huge amount of money to the Khadi and Village Industries Commission (KVIC) for production of Khadi;

(b) if so, whether subsidy was drawn by such units without ever producing khadi;

(c) if so, the details of such units alongwith the outstanding dues against them;

(d) whether KVIC has not made any serious efforts to recover the dues;

(e) if so, the reasons therefor; and

(f) the steps taken to recover the said dues alongwith efforts made to improve the financial conditions of KVIC?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a): Yes, Sir.

(b): No, Sir. Subsidy to units producing khadi is provided in the form of rebate which is based on the retail sales and not on khadi production. In the case of subsidy in the form of interest, under the Interest Subsidy Eligibility Certificate Scheme (ISEC) it is released to financing Banks on the principle of utilization.

(c): Does not arise.

(d) to (f): Khadi and Village Industries Commission (KVIC) has been making concerted efforts to recover its dues from the State Boards and Khadi institutions. Dues in the form of working funds are not recovered as the implementing agencies can retain the same and re-use for continued production of khadi. Only capital expenditure loans are to be repaid in installments. KVIC has already recovered Rs. 172.59 crore of the principal due upto 31.03.2002. Further as per the provision in the KVIC Act (section 19-B) cases are also filed for recovery in the competent courts in various States. Besides, recovery performance of KVIC is being monitored to ensure speedy and effective recovery of dues.